RV BUSINESS

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Decor '87

WHAT'S AND WHAT'S NOT

South Bend Show Preview And Postmortem Guide

RV BUSINESS

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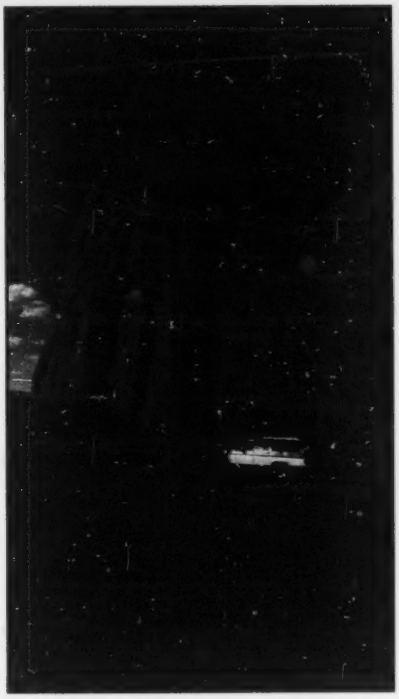

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A picture may be worth a thousand words, but experience surpasses them both.

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32ND ANNUAL SOUTH BEND SHOW GUIDE

Everything you need in one handy section: calendar of events, exhibitor listings, floorplans and a guide to the best of the city's eateries and nightspots.

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CALENDAR

ON THE COVER: The age-old battle between beauty and function may be coming to an end. New fabrics, textures and serviceability are available through new technology. Photo: Darryl Gray.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	131	135	− 3	453	534	−15	95	92	+ 3	426	431	− 1
TRAVEL TRAILERS	116	105	+10	443	409	+ 8	113	104	+10	383	365	+ 5
TRUCK CAMPERS	21	30	−30	89	88	+ 1	21	20	+ 5	56	65	−14
CAMPING TRAILERS	169	174	− 3	685	672	+ 2	43	31	+39	136	150	− 9
FIFTH-WHEELS	25	30	−17	113	137	−19	10	8	+25	34	44	−23

	FOR MONTH			YEAR-TO-DATE		
	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$10,546,080	$9,810,608	+ 7	$40,492,624	$41,412,282	−2
TOTAL UNIT SALES	744	729	+ 2	2,818	2,895	−3
NEW UNIT SALES	462	474	− 3	1,783	1,840	−3
USED UNIT SALES	282	255	+11	1,035	1,055	−2

It is difficult to describe the May retail marketplace. Some dealers never had it so good. Two members of RVB's Dealer Advisory Board (DAB) report new sales records. At the other extreme, three report no profit for the month. The 22 members of the board were almost evenly divided between those up in sales and those down.

Used-unit sales were up in all types in May. High new-unit prices are creating more buyers in the used marketplace. Sales in May are usually to those who are preparing for summer vacations, so reasonably good sales in that category suggest reasonably good consumer interest in RVing.

Lot traffic was rated poor by a strong majority of the DAB members. About half the DAB members reported the number of new buyers to be low; half reported the number as average or high, which also suggests that the public is still quite interested in RVing.

Complaints of low grosses are mingled with reports of dealers going out of business or teetering on the brink of failure. The majority of experienced, professional dealers however, are more than surviving. Most of those going out of business are either auto dealers or they are marginal operations that have problems even during the good times. This is not to say that some very good dealers aren't experiencing some difficult times, particularly in especially depressed areas.

MOTORHOMES

There was a slight drop in new-unit sales for the month, and a correspondingly slight increase in used. It wasn't a bad motorhome month for the DAB. The 15 percent drop for the year-to-date, however, is a clear indication that the market isn't booming. Most DAB members are staying fairly close to last year's sales figures. Grosses were generally rated fair or good; there were extremes at both ends. The motorhome business is the most volatile of the retail end of the RV industry. It's easy to get into—and almost equally easy to get out of—if one has flooring available. It may be a tumultuous year ahead as dealers struggle to increase their bottom lines.

TRAVEL TRAILERS

In line with recent months' figures, this category shows up rather well in May with increases over the previous year in both new and used. Although most dealers are barely maintaining last year's sales level, several have increased sales considerably. It is the only category in this report that has solid pluses. Profits were rated good by most trailer dealers.

TRUCK CAMPERS

New-unit camper sales suffered in May compared to the previous year. Year-to-date, however, the numbers are almost equal. Used units were slightly up for the month, but they aren't so good for the year-to-date. Three dealers who reported new sales last year "blanked" in May. Profits were very mixed.

FOLDING TRAILERS

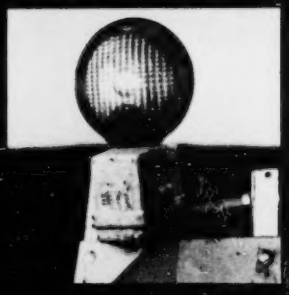
The fold-downs are maintaining a pace quite close to last year. Sales of new units were slightly down in May, but they are slightly up for the year-to-date. Used sales boomed in May, perhaps indicating the demand for very inexpensive camping rigs. There's some turmoil in this segment of the industry. After 20 years of selling camping trailers, one DAB member is dropping them entirely. Two others have reduced their emphasis on that type while another has very successfully increased his. Profit ratings tended to be on the low side.

FIFTH-WHEELS

It has been a struggle all year for dealers of this RV type, and May was no exception. Sales of new units were down for the month and they are down for the year-to-date more than any other type. All of the DAB members who have strong fiver departments are experiencing sales problems. Perhaps a partial answer to the slump is the fact that farmers have been the chief fifth-wheel buyers and their problems at this time discourages spending. Profits were rated fair or good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

IT CAN BE A LIGHT



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RVIA, MAY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1986 was 35,900 units, down 1.4% from May 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in May 1986		May 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	5,200	5,400	– 3.7%	27,100	28,100	– 3.6%
PARK MODELS	600	900	– 33.3%	3,200	3,200	0%
FIFTH-WHEELS	1,900	1,900	0%	10,300	9,200	+ 12.0%
TRUCK CAMPERS	800	900	– 11.1%	3,200	3,400	– 5.9%
MULTI-USE VEHICLES	17,700	15,900	+ 11.3%	84,300	73,200	+ 15.2%
TYPE A: MOTOR-HOMES	2,900	3,400	– 14.7%	14,300	16,700	– 14.4%
TYPE B: VAN CAMPERS	700	1,000	– 30.0%	2,700	3,100	– 12.9%
TYPE C: MINI MOTOR-HOMES	3,100	3,600	– 13.9%	12,200	14,800	– 17.6%
FOLDING CAMPING TRAILERS	3,000	3,400	– 11.8%	16,600	17,900	– 7.3%
TOTALS	35,900	36,400	– 1.4%	173,900	169,600	+ 2.5%